

City of Lowell

HOME-ARP Allocation Plan Public Meeting

Overview of HOME-ARP

A. Background

In March 2021 Congress passed and the President signed the American Rescue Plan Act (ARP), a federal economic stimulus bill, into law. The ARP provided \$5 billion in federal HOME funding, of which \$3.1 million dollars was allocated to the City of Lowell, as the administrator of HOME funding, to manage this special ARP funding.

B. Uses of Funds

HOME-ARP funding is intended to provide homelessness assistance and supportive services through four activities:

1. Development and support of affordable housing, as currently permitted under the HOME program;
2. Tenant-based rental assistance;
3. Supportive services, including activities such as transitional housing, housing counseling, and homeless prevention services; and/or
4. Acquisition and development of non-congregate shelter units, which may be converted to permanent affordable housing, used as emergency shelter, or remain as non-congregate shelter units.

Not less than 70% of affordable rental housing units acquired, rehabilitated, or constructed with HOME-ARP funds must be occupied by households in the qualifying populations (see D. below). Units that are not restricted to occupancy by qualifying populations are subject to income targeting and rent requirements established under the HOME-ARP Rental Program rules and are only permitted in properties with rental units restricted for occupancy by qualifying populations. HUD is providing additional flexibilities to structure and underwrite HOME-ARP rental projects, so they remain financially viable during the minimum compliance period.

One hundred percent (100%) of HOME-ARP funds used for tenant-based rental assistance, supportive services, and acquisition and development of non-congregate shelter units must benefit individuals and families in qualifying populations.

C. HUD Guidance

In mid-September HUD released Notice CPD-21-10 which provided guidance outlining the requirements for the use of funds in the HOME-ARP program. This guidance identified qualifying populations, instructions for completing the HOME-ARP Allocation Plan, eligible uses and activities under the HOME-ARP program, and other federal requirements. The CPD-21-10 Notice identifies the following as required components of a participating jurisdiction's HOME-ARP Allocation Plan:

- A summary of comments received through the public participation process and a summary of any comments or recommendations not accepted and the reasons why;
- A description of HOME-ARP qualifying populations within the jurisdiction;
- An assessment of unmet needs of each qualifying population;
- An assessment of gaps in housing and shelter inventory, homeless assistance and services, and homelessness prevention service delivery system;
- A summary of the planned use of HOME-ARP funds for eligible activities based on the unmet needs of the qualifying populations;
- An estimate of the number of housing units for qualifying populations the participating jurisdiction will produce or preserve with its HOME-ARP allocation; and
- A description of any preferences for individuals and families in a particular qualifying population or a segment of a qualifying population.

D. Qualifying Populations

In its September 2021 guidance, HUD identifies “qualifying populations” (below) to be served through HOME-ARP funding. Any individual or family who meets the criteria for these populations is eligible to receive assistance or services funded through HOME-ARP without meeting additional criteria (e.g., additional income criteria). All income calculations to meet income criteria of a qualifying population or required for income determination in HOME-ARP eligible activities must use the annual income definition in 24 CFR 5.609 in accordance with the requirements of 24 CFR 92.203(a)(1).

- **Homeless**, as defined in 24 CFR 91.5 *Homeless* (1), (2), or (3);
 - (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
 - (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
 - (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
 - (2) An individual or family who will imminently lose their primary nighttime residence, provided that:
 - (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
 - (ii) No subsequent residence has been identified; and
 - (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;
 - (3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

- (i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
 - (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;
 - (iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
 - (iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.
- **At risk of Homelessness**, as defined in 24 CFR 91.5 *At risk of homelessness*;
 - (1) An individual or family who:
 - (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;
 - (ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “Homeless” definition in this section; and
 - (iii) Meets one of the following conditions:
 - A. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - B. Is living in the home of another because of economic hardship;
 - C. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - D. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;
 - E. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
 - F. Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - G. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;
 - (2) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(m) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(m)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or
 - (3) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

- **Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking**, as defined by HUD.

For HOME-ARP, this population includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. This population includes cases where an individual or family reasonably believes that there is a threat of imminent harm from further violence due to dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit. In the case of sexual assault, this also includes cases where an individual reasonably believes there is a threat of imminent harm from further violence if the individual remains within the same dwelling unit that the individual is currently occupying, or the sexual assault occurred on the premises during the 90-day period preceding the date of the request for transfer.

Domestic violence, which is defined in 24 CFR 5.2003 includes felony or misdemeanor crimes of violence committed by:

- (1) A current or former spouse or intimate partner of the victim (the term "spouse or intimate partner of the victim" includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship);
- (2) A person with whom the victim shares a child in common;
- (3) A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
- (4) A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving HOME-ARP funds; or
- (5) Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

Dating violence which is defined in 24 CFR 5.2003 means violence committed by a person:

- (1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- (2) Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - (i) The length of the relationship;
 - (ii) The type of relationship; and
 - (iii) The frequency of interaction between the persons involved in the relationship.

Sexual assault which is defined in 24 CFR 5.2003 means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.

Stalking which is defined in 24 CFR 5.2003 means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- (1) Fear for the person's individual safety or the safety of others; or
- (2) Suffer substantial emotional distress.

Human Trafficking includes both sex and labor trafficking, as outlined in the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7102). These are defined as:

- (1) Sex trafficking means the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act, in which the commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or

- (2) Labor trafficking means the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery; and
- **Other Populations** where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability. HUD defines these populations as individuals and households who do not qualify under any of the populations above but meet one of the following criteria:
 - (1) **Other Families Requiring Services or Housing Assistance to Prevent Homelessness** is defined as households (i.e., individuals and families) who have previously been qualified as "homeless" as defined in 24 CFR 91.5, are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance or some type of other assistance to allow the household to be housed, and who need additional housing assistance or supportive services to avoid a return to homelessness.
 - (2) **At Greatest Risk of Housing Instability** is defined as a household who meets either paragraph (i) or paragraph (ii) below:
 - (i) Has annual income that is less than or equal to 30% of the area median income, as determined by HUD and is experiencing severe cost burden (i.e., is paying more than 50% of monthly household income toward housing costs);
 - (ii) Has annual income that is less than or equal to 50% of the area median income, as determined by HUD, AND meets of the following conditions from paragraph (iii) of the "At risk of homelessness" definition established in 24 CFR 91.5:
 - A. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
 - B. Is living in the home of another because of economic hardship;
 - C. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
 - D. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;
 - E. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
 - F. Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
 - G. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;
 - (3) **Veterans and Families that Include a Veteran Family Member** that meet the criteria for one of the qualifying populations described above are eligible to receive HOME-ARP assistance.

HOME-ARP Allocation Plan

A. Consultation

The City of Lowell is seeking input from key stakeholders throughout the City of Lowell in formulating strategies to best utilize the HOME-ARP funding provided. The intent of this Public meeting is to incorporate feedback from written comments provided throughout the following week, into a plan that directs

funding toward identified eligible activities that best meet the needs of qualifying populations through a strategic HOME-ARP Allocation Plan.

B. Public Comment & Participation

After this public meeting, but before submitting the HOME-ARP Allocation Plan to HUD, the City of Lowell will ensure a copy of the proposed HOME-ARP Allocation Plan, including comments and feedback provided during the HOME-ARP Allocation Plan Workshop, is posted and available for public comment for a period of no less than 15 days. The City of Lowell will then incorporate the HOME-ARP Allocation into the FFY2021 Annual Action Plan through a substantial amendment and submit it to HUD for approval.

C. HOME-ARP Allocation Plan Components

The HOME-ARP Allocation Plan must describe the distribution of HOME-ARP funds and the process for soliciting applications and selecting eligible projects. It must also identify any preference(s) established for eligible activities or projects. (Note: specific/selected applications that will be funded are not required to be identified in the HOME-ARP Allocation Plan.)

Below, each of the components are part of the HOME-ARP Allocation Plan, that must be completed by the City of Lowell as outlined by the September 2021 guidance issued by HUD.

(1) Needs Assessment and Gaps Analysis

The City of Lowell is required to evaluate the size and demographic composition of qualifying populations and assess the unmet needs of those populations. This must be done by identifying any gaps in the current shelter and housing inventory as well as the service delivery system.

The City of Lowell will complete a needs assessment for households experiencing homelessness and persons with special needs. The City of Lowell proposes to use the preliminary findings from this needs assessment to identify the needs and gaps for completion of this component of the Allocation Plan.

(2) HOME-ARP Activities

Within the HOME-ARP Allocation Plan, the City of Lowell must provide details regarding its Request for Applications (RFA) processes related to the intended use of HOME-ARP funds. After this Consultation period the City of Lowell will update the HOME-ARP Allocation Plan to include proposed funding levels for each of the eligible activities identified in the Overview section of this agenda which are based upon findings from the Needs Assessment and Gaps Analysis.

(3) HOME-ARP Production Housing Goals

As part of the HOME-ARP Allocation Plan, the City of Lowell will need to provide estimates of the number of affordable rental housing units that will be created for qualifying populations as a result of this funding.

(4) Preferences

The City of Lowell is asked to identify within the HOME-ARP Allocation Plan if it intends to give preference to one or more of the qualifying populations.

Based on the HOME-ARP award, the City of Lowell intends to not set specific prioritizations for certain qualifying populations, but rather utilize HOME-ARP funding to serve as many members of the HUD-permitted qualified populations as possible.

(5) HOME-ARP Refinancing Guidelines

HUD requires recipients that intend to refinance existing debt secured by multifamily rental housing that is being rehabilitated using HOME-ARP funds to provide a copy of the refinancing guidelines as part of the HOME-ARP Allocation Plan and accompanying substantial amendment.

The findings of the Needs Assessment and Gaps Analysis used by the City of Lowell for the HOME-ARP Allocation, is expected to show a significant need and gap in the availability of affordable rental housing. Therefore, the City of Lowell does not intend to allocate HOME-ARP funding to refinance existing affordable rental housing units at this time.

Next Steps

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| Accept Consultation Feedback | January 11, 2022 |
| Public Comment Period Ends | January 26, 2022 |
| Post HOME-ARP Allocation Plan | March 1, 2022 |
| Submit Substantial Amendment to 2021 Annual Action Plan to HUD for Approval | March 16, 2022 |
| HOME ARP RFP released following allocation approval | Spring 2022 |